

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF DAVID B. MEISNER) APPEAL NO. 06-A-2036
from the decision of the Board of Equalization of Ada County) FINAL DECISION
for tax year 2006.) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing August 31, 2006, in Boise, Idaho, before Hearing Officer Sandra Tatom. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. David B. Meisner appeared for himself. Chief Deputy Marilee Fuller, Deputy Assessor Dan Curtis, and Appraiser Sandra Powers appeared for Respondent Ada County. This appeal is taken from a decision of the Ada County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. R8230020310.

The issue on appeal is the market value of a residential property.

The decision of the Ada County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$90,200, and the improvements' valuation is \$282,800, totaling \$373,000. Appellant requests the total value be reduced to \$344,190.

The subject property is a single-family residence built in 2004 on a .30 acre lot, located in Meridian, Idaho. The 3,194 square foot residence has five bedrooms and four baths. There is a fully finished three-car garage, and interior amenities include a fireplace, a hardwood entry, and kitchen and dining areas accented with tile counters and custom cabinetry.

Appellant purchased the property on October 14, 2004, for \$308,900.

Effective January 1, 2005, the Assessor assessed the lot at \$72,500 and the improvements at \$243,800. Effective January 1, 2006, the Assessor increased the lot value to \$90,200 and increased the improvements to \$282,800, representing a 2006 market value of \$117 per square foot. The 2006 increase in value was 17.93% over 2005.

Mr. Meisner argued the assessed value for subject was higher than the assessed values of the comparable sales submitted by the County. And also higher than other properties in the subject subdivision.

Dan Curtis, a County Appraiser, presented testimony on behalf of Ada County. Mr. Curtis maintained the subject property had many amenities. To support the assessed value of the subject property, the County considered three properties which had recently sold. Information on the three sales was admitted as part of Respondent's Exhibit 1. The exhibit material also included a map with the locations of the three sales and the size of the sales in comparison to the subject property.

Comparable No. 1, a property located on Nephrite Way, had a similar size lot and square footage. It sold December 28, 2005, for \$392,000. Mr. Curtis calculated the price per square foot at \$114.

Comparable No. 2, a property located on Groom Way, sold December 13, 2005, for \$336,900. The price per square foot was \$115.

Comparable No. 3, a property located on Teddy Avenue, sold October 4, 2005, for \$350,000. The price per square foot was \$113.

Mr. Curtis also presented information on a fourth property located on Glacier Bay Court. It sold April 3, 2006. The sale was not actually used in determining subject's 2006 assessed value because it sold after the January 1 assessment date. The sale price was reported at \$428,100, or \$125 per square foot.

On Page 4 of the County's Exhibit No. 1, Mr. Curtis made various adjustments to the sales to compare them to the subject property. He applied a positive time adjustment of 1.68% per month to adjust the sale prices from the date of sale to January 1, 2006. No time adjustment was applied to Comparable No. 1 because it occurred close to January 1, 2006. After various adjustments, Mr.

Curtis determined the sales indicated a square foot value of \$117 to \$118 per square foot for subject. All the sales were located within subject's subdivision, a few blocks from subject. All were of similar size.

Mr. Curtis submitted evidence for all of Ada County establishing the average change in value of sold properties was 1.85% per month, or 22.2% per year. Sales were specifically compared within the Sutherland Farms Subdivision. The increase in value there ranged from 13% to 45%. Mr. Curtis maintained vacant land sale prices in the Boise/Meridian area had significantly increased. Marilee Fuller, the Chief Deputy Assessor, testified the square foot sales price which Mr. Meisner paid on the subject property in October 2004 was \$108 per square foot.

Mr. Curtis testified he felt the most comparable sale was the Nephrite Way property which sold December 28, 2005. The adjusted square foot sale price indicated \$118 per square foot for subject property.

Appellant objected to the County's comparable sales and presented evidence where the assessed value for two of the sales was lower than the assessed value of subject. Mr. Meisner offered evidence that the January 1, 2006, assessed value for the property on Nephrite Way was \$79,200 for the lot and \$269,800 for the improvements. The total assessed value of \$349,000 is \$43,000 less than the \$392,000 sale price, or a difference of 12.32%. Evidence was presented of a fraudulent purchase of the home using a counterfeit cashier's check on May 9, 2005. However, following the fraudulent sale, a realtor bought the property for \$339,900 on September 1, 2005. Improvements were made and the property resold in December 2005 for \$392,000.

The existence of the fraudulent sale in May 2005 does not negate the fact the same property sold September 1, 2005, for \$339,900, and after improvements, resold on December 28, 2005, for \$392,000.

With respect to the Teddy Avenue sale, Appellant presented evidence the County used a time adjusted sale price of \$355,148 while the actual assessed value was \$339,300, a difference of \$15,848 or 4.67%.

Finally, Mr. Meisner presented argument that the residential inventory available for sale has significantly increased resulting in a declining market. It was proposed the County compare the assessed value of the comparable sales to the subject, then average the price per square foot. The square foot value of \$108 should be applied to subject to arrive at the assessed value. The County noted the assessment would be less than Mr. Meisner paid for the property in October 2004.

The Board finds Appellant has failed to establish that the comparable sales were not valid and has compared assessed values rather than sale prices to estimate market value.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Appellant's basic concern was subject was overvalued. Idaho is a market value state for property tax purposes which is defined in Idaho Code § 63-201(10) (2006) as follows:

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

In determining the value of property, the assessor may and should consider costs, location, actual cash sale value and all other factors, known or available to his knowledge, which affect the value of the property assessed. Merris v. Ada County, 100 Idaho 59, 593 P.2d 394 (1979). The

burden of proof by a preponderance of evidence lies with the party challenging the assessment to show that he is entitled to the relief claimed. The Senator, Inc., v. Ada County Board of Equalization, 138 Idaho 566, 569, 67 P.3d. 45, 48 (2003).

Therefore, we conclude Appellant has failed to prove by a preponderance of evidence that Ada County's assessed value is incorrect.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 16th day of February , 2007.